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NATIONAL INTELLIGENCE DAILY CABLE

Friday March 4, 1977 CG NIDC 77-051C

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National Intelligence Daily Cable for Friday, March 4, 1977.

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The NID Cable is for the purpose of informing senior US officials.

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## USSR-US: Human Rights Issue

25X1 [ ] A Soviet official has warned that recriminations over the human rights issue could "negatively" affect the visit to Moscow of Secretary Vance later this month. Until now, the Soviets have not hinted that the human rights issue would affect either the timing or the content of the Secretary's talks.

25X1 [ ] The deputy director of the USA Institute, Radomir Bogdanov, told a US embassy officer on Wednesday that Moscow hopes the US will tone down its statements on human rights before the visit. If not, Bogdanov said Moscow will be compelled to "lash out."

25X1 [ ] //Since the strong Soviet demarche on February 17 protesting US statements in support of Soviet dissidents, Soviet officials have been taking a more critical attitude toward statements by President Carter. [ ] 25X1

25X1 [ ] Officials from the Soviet Institute of World Economy and International Relations have referred to the President's letter to dissident spokesman Andrey Sakharov as an "unfriendly act" and have claimed to be "surprised" by Washington's strong stand on human rights. On Monday, the Institute's deputy director specifically cautioned against putting the USSR in the dock at the Belgrade meeting this summer to review progress on implementing the 1975 Helsinki accords. 25X1

25X1 [ ] A Moscow radio broadcast in English has called the President's meeting with Vladimir Bukovsky a "distasteful caper" and terse reports of the meeting have been carried by the radio's domestic and foreign services.

25X1 [ ] A particularly scathing satire on the Carter-Bukovsky meeting in *Pravda* was unusual even by Soviet standards. A story titled "Guess Who's Coming to Dinner?" told of the wife of an

American Klansman trying to dispel her husband's misgivings about inviting a Soviet dissident to dinner. The allusions to the President's meeting with Bukovsky were unmistakable.

25X1 [ ] //Moscow also has hinted that it could take direct action against Sakharov should US representations on the human rights issue persist. The veiled warning against Sakharov occurred on Wednesday following the US protest to the Foreign Ministry against the detention of Soviet citizens trying to enter the US embassy.//

25X1 [ ] //The deputy director of the ministry's USA department, Konstantin Fedoseyev, implied to the US political counselor that Soviets engaged in hostile activities would be denied access to the embassy in the future. Sakharov's name was not mentioned, but Fedoseyev referred to the Soviet protest on Tuesday that concerned Sakharov and which described him as an "enemy of the Soviet state."//

25X1 [ ] //In addition to cutting off access to the embassy to human rights dissidents, the Soviets could move directly against Sakharov by stripping him of his remaining privileges as a member of the Academy of Sciences. The Soviets have already made their legal case against him in their own press and in the *New York Times*.//

25X1 [ ] //We cannot predict just how far the Soviets will go in defending their perception of the USSR's national interest on the human rights issue. The fact that Fedoseyev referred to the damage to bilateral relations, "which had not been easy to improve," appears to indicate that Moscow will move carefully.//

#### CHINA: Provincial Appointments

25X1 [ ] China has made rapid progress in the last week in filling key provincial leadership vacancies, and also may have taken the first measured steps toward initiating a campaign against leftists within the military.

25X1 [ ] The naming of three top provincial leaders brings to five the number of new provincial leaders we have identified

since mid-February and to seven the total named since the purge of the four leftist Politburo members in October. The latest appointments appear to enhance Peking's prospects of filling other major vacancies in the party and government, including two provincial- and six ministerial-level positions.

25X1 [ ] //Only three of the seven new provincial bosses replaced incumbents. It is still possible that Peking will replace others who may have supported the purged leftists in 1976. So far, however, only one is known to have come under serious local criticism for his ties to the left.//

25X1 [ ] //The appointments made so far are doubtless the result of complex political maneuvering in Peking and the provinces. One pattern that has emerged seems to reflect the influence of Politburo members Yeh Chien-ying and Hsu Shih-yu, both military men. Only three of the new provincial leaders are career soldiers, however, and two of them have been political officers.//

25X1 [ ] //Progress in filling provincial vacancies suggests that other contentious issues that have divided the regime may be nearer resolution. The Chinese, however, continue to provide conflicting information on the status of former vice premier Teng Hsiao-ping, and local officials have been uncertain how to deal with directives contained in an important editorial published early last month.//

25X1 [ ] //The status of numerous high-ranking officers of the army is still unclear. Three military region commanders and the commander of the air force have been out of sight since last year, and the positions of chief of staff of the army and director of its general political department are still open.//

25X1 [ ] A campaign announced last week in an editorial in the *Liberation Army Daily*, the army's propaganda organ, may presage some personnel changes in the army. The campaign calls for evaluation of the "Hard Bone 6th Company of the Nanking Military Region." This has many implications but the most immediate are the unit's record of participating in army intervention in factional disputes in Chekiang in 1975 and its annual rectification campaigns.

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[ ] The "Hard Bone 6th" is a unit of the 1st Army that was moved from central China to Chekiang in mid-1975 under orders from then chief of staff Teng Hsiao-ping. The unit replaced another that had taken sides in the disputes among civilian factions and apparently had illegally passed arms to one of the sides. The parallels between the experience of the 6th Company and units that since October 1976 have been called on to bring order to at least one province and several cities are unmistakable and will not be lost on political activists still intent on creating disturbances.

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[ ] The army has apparently not conducted a nationwide rectification campaign since 1972, the year following the Lin Piao incident which, according to some local propaganda broadcasts, was not thoroughly investigated because of leftist interference. Although the army apparently harbored relatively few supporters of the "gang of four," at least three military regions have reported extensive leftist interference in military affairs.

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[ ] Chairman Hua Kuo-feng, who largely depended on the army for the purge of the leftists, has apparently been reluctant to undertake a rectification campaign in the army. According to the *Liberation Army Daily*, however, Hua does have the support of Yeh Chien-ying in promoting the "Hard Bone 6th." He probably can also rely on Hsu Shih-yu, who commands the Canton Military Region and may also head the Nanking Military Region.

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[ ] Despite the prestige of Yeh and Hsu, the campaign to emulate the model company is off to a slow start. Only one province, Chekiang, in which the unit is now located, has responded to the call for the campaign. Moreover, the campaign's public inauguration seems to have come a month late. A Nanking Military Region broadcast asserted that the Military Commission had chosen the unit as the army's model in January. [ ]

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#### PAKISTAN: National and Provincial Elections

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[ ] Whatever the results of the election next Monday and Thursday for Pakistan's national and provincial assemblies, Prime Minister Bhutto will be in a far weaker position than when the campaign began two months ago.

25X1 [ ] //The opposition, demonstrating unaccustomed unity, has waged a vigorous campaign and clearly has considerable popular support. It has almost certainly made major gains in the large cities, where Bhutto's Pakistan People's Party has never been strong. The opposition's standing in the much more important rural areas is more difficult to determine now.//

25X1 [ ] Other observers still believe that Bhutto can win a slight majority, enabling him to remain in office but with much less freedom of action. Even with a majority, he could face a strong effort to discredit the results if his majority depends on victories in Baluchistan and the North-West Frontier Province.

25X1 [ ] With the government in complete control of the election process and the opposition boycotting the election in Baluchistan, the party will presumably win all seven seats there despite its lack of popular support. The degree to which the government will determine results in the North-West Frontier is unclear, but, with the major opposition party there outlawed, even a slight majority will be open to question.

25X1 [ ] A majority of the votes in the Sind, Bhutto's home province, and the Punjab would establish the legitimacy of a victory for his party. The campaign so far in the two provinces has been free of excessive government interference, although there has been some violence and other questionable practices by both sides.

25X1 [ ] Rural voters in the Punjab, who will determine the composition of about half the National Assembly, hold the key to Bhutto's future. Bhutto seems likely to lose in the Punjabi cities, and in Karachi and other large cities in the Sind. His party still seems likely to do well enough in rural areas in the Sind to win a majority there.



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[REDACTED] An opposition victory could bring a period of political instability. With a membership ranging from extreme right to extreme left, the opposition would have difficulty forming a government or deciding policies. Bhutto--who probably would still have the largest single party in the assembly--would encourage their differences in an effort to return to power at the head of a coalition.//

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DEVELOPING COUNTRIES: Exports to OPEC States

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[REDACTED] Oil-poor developing countries sold \$6.3 billion worth of goods to members of the Organization of Petroleum Exporting Countries in 1976, reflecting a serious effort on both

sides to cope with their large trade imbalance. While a substantial gain from the early 1970s, this amount is still far from covering the \$20 billion of imports that these developing countries take from the oil producers.

25X1 [ ] Since the oil price hikes of 1973 and 1974, the OPEC members have been under considerable pressure to favor imports from other developing nations. These countries have stressed in various international forums the need for increased sales to OPEC members, and many government-sponsored delegations have toured OPEC capitals to promote sales and to negotiate new bilateral trade agreements.

25X1 [ ] The results have been mixed. From a small base, non-OPEC developing countries' sales to OPEC members rose at an average annual rate of more than 30 percent during 1973 to 1976. Although this was substantially ahead of the growth rate for non-OPEC developing country exports to the rest of the world, it lagged behind the gains of industrial country exports to OPEC markets.

25X1 [ ] In 1976, the gain in OPEC markets by the developing countries over the previous year dropped to an estimated 7 percent. As a result, the group's share in world exports to OPEC declined to roughly 10 percent, compared with 13 percent in 1973.

25X1 [ ] The developing countries' concentration on primary products--roughly two thirds of their total exports--has limited their penetration of OPEC markets. Tropical foodstuffs and industrial raw materials are relatively unimportant components in OPEC members' consumption patterns. Only a few developing countries are sufficiently industrialized to take advantage of surging OPEC demand for machinery and equipment, building materials, and sophisticated consumer products.

25X1 [ ] Asia and Latin America accounted for more than four fifths of the shipments to OPEC last year. Developing countries in Africa and the Middle East still have only a small share in the OPEC market.

25X1 [ ] A few relatively advanced countries account for most of the recent gains. India, Singapore, Brazil, South Korea, and Taiwan combine an array of industrial products with shrewd commercial practice to improve their market position.

25X1 [ ] The outlook for 1977 is for continuing deterioration in the developing states' share of the OPEC market. The industrial countries will continue to supply the bulk of imports required for OPEC development programs. Some of the more aggressive developing-country exporters of producer goods and consumer durables probably will match the rise in world sales to OPEC customers; the poorer ones, however, will at best see sluggish advances. [ ]

BELGIUM: Shaky Government

25X1 [ ] In what may prove a prelude to calling an early election, Belgian Prime Minister Tindemans has expelled one of the government's coalition partners and lost his parliamentary majority. The Tindemans government has been on shaky ground for some months because of poor economic conditions and its inability to produce a consensus on the plan to restructure the country into autonomous linguistic communities.

25X1 [ ] The coalition partner, the small Walloon Rally Party, yesterday refused to back the government in a vote on the budget. Last week, it had declared that it would quit the interparty talks on the regionalization of the country--and possibly leave the coalition as well--unless a final decision favorable to the French-speaking community were reached this weekend. This halted the talks because the opposition parties considered negotiations pointless until it is clear whether the government could continue in power.

25X1 [ ] The Walloon party's action followed an announcement of various new economic measures--including higher taxes--which are opposed by most labor and business groups. The principal labor unions have scheduled a month-long series of 24-hour strikes to show their displeasure.

25X1

[redacted] Tindemans, who threatened to resign in December, may decide out of frustration to call an early election; an election must be held by May 1978. The Prime Minister has asked for consultations with the King and has promised to give parliament a full explanation for the expulsion next Tuesday.

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[redacted] The opposition parties, which are led by the Socialists, do not have any solutions for the country's problems and would prefer to avoid an early election. The Brussels Liberal group, now in opposition, may support the government by voting with it or abstaining. [redacted]

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## YUGOSLAVIA: Changing Attitude on Dissent

25X1 [ ] Yugoslavia is toughening its previously cautious stance on the human rights issue, probably in response to increased Western publicity and more open dissent at home.

25X1 [ ] In a speech on Monday, leading party Secretary Stane Dolanc accused the West of overemphasizing human rights provisions in the Helsinki accords and of launching a campaign in support of the country's dissidents. He said Yugoslav dissidents are trying to exploit Western publicity to attack the Yugoslav system.

25X1 [ ] Dolanc said the regime will "ignore all these insignificant ventures" and will stick to its principles, especially by strengthening the leading role of the party. Perhaps in an effort to balance somewhat his criticism of the West, he also chided "dogmatic forces"--a reference to Moscow and its loyalist allies--that have taken a highly polemical attitude toward Yugoslavia's self-management system.

25X1 [ ] The US embassy reports that two signers of a December petition on freedom of travel have lost their jobs, and the author of a magazine article harshly criticizing the Czechoslovak regime's handling of dissidents in Prague expects to lose his job in a purge of the magazine's staff. A recent issue of the party's official weekly *Kommunist* attacked the magazine for printing the article which conflicted with the "basic values and orientations of Yugoslav society."

25X1 [ ] The Yugoslav regime initially supported the Czechoslovak dissenters implicitly, but Yugoslav media have since shifted to an incomplete and less sympathetic treatment of dissent elsewhere in Eastern Europe.

25X1 [ ] *Kommunist* also criticized a bishop of the Serbian orthodox church who had attacked several leading Yugoslav Marxist theoreticians. The prelate was warned that "ideological" interventions are contrary to the constitutional role of religious communities. Trials and imprisonment of outspoken nationalists and members of emigre groups continue.

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[REDACTED] The regime has not yet formulated a policy toward its dissidents, and there are reports of disagreements within the leadership over how to deal with them. This indecision risks provoking more challenges to the regime's authority, which would further blot Yugoslavia's record before this summer's preparatory meeting in Belgrade for the conference on European security this fall.

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[REDACTED] While Dolanc--who seems to be a relative dove--may argue for less repressive measures than his colleagues in the military or security organs, it is doubtful that he or any other key figure will countenance active dissidence. [REDACTED]

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